

The Committee on Environment

February 27, 2008

Raised Bill No. 372, AAC Biodiesel

Testimony of

The Office of Consumer Counsel

Mary J. Healey, Consumer Counsel

The Office of Consumer Counsel (OCC) has carefully reviewed and opposes Raised Bill No. 372, An Act Concerning Biodiesel, to the extent that it would use Renewable Energy Investment Fund (a/k/a "Clean Energy Fund") dollars for promotion of biodiesel outside the context of electricity generation.

Section 2 of the bill would change the definition of "renewable energy" in Connecticut General Statutes (C.G.S.) § 16-245n(a) to remove the reference to "used for electricity generation." C.G.S. § 16-245n is the governing statute for the Clean Energy Fund. The definition of "renewable energy" presently includes the reference to "used for electricity generation" for an important reason: electric ratepayers are the ones who pay for the Clean Energy Fund through a per kilowatt hour charge on their electric bills. The bill's proposed deletion of the reference to "used for electricity generation," troubles the OCC greatly, because it would lead to an electric ratepayer subsidy for the biodiesel industry or other renewable energy industries, *with no nexus to electricity service*. This is not appropriate; the electricity bill is and should be for items related to electricity service. When electricity bills are as high as they are presently, mandating electric ratepayer funding of renewable energy unrelated to electric generation would be particularly inappropriate.

OCC would respectfully suggest that if the Legislature wants to promote the biodiesel industry or other renewable energy industries outside of the context of electricity generation, it should be done through taxation and/or the various economic development agencies, and not through a hidden tax on electricity bills.